

# Majority Message

## U.S. SENATE REPUBLICAN CONFERENCE

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Senator Rick Santorum, Chairman

Senator Kay Bailey Hutchison, Vice Chairman

### Iraq, Economy, and Medicare



Tuesday, June 22, 2004

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# 9-11 Commission Staff Report Confirms Administration's Views of al-Qaeda/Iraq Ties

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*"The reason I keep insisting that there was a relationship between Iraq and Saddam and al-Qaeda [is] because there was a relationship between Iraq and al-Qaeda. This administration never said that the 9/11 attacks were orchestrated between Saddam and al-Qaeda. We did say there were numerous contacts between Saddam Hussein and al-Qaeda. For example, Iraqi intelligence officers met with bin Laden, the head of al-Qaeda, in the Sudan. There's numerous contacts between the two."*

*President Bush, June 17, 2004*

*"I must say I have trouble understanding the flack over this. The vice president is saying, I think, that there were connections between al-Qaeda and Saddam Hussein's government. We don't disagree with that. What we have said is... we don't have any evidence of a cooperative, or a corroborative relationship between Saddam Hussein's government and these al-Qaeda operatives with regard to the attacks on the United States. So it seems to me the sharp differences that the press has drawn, the media has drawn, are not that apparent to me."*

*9-11 Commission Vice Chairman Lee Hamilton, June 17, 2004*

- **A 9-11 Commission staff report supports the Bush Administration's longstanding conclusion that there was no evidence of "collaboration" between Iraq and al-Qaeda on the 9-11 attacks against the United States.** The Administration has never suggested that Iraq "collaborated" or "cooperated" with al-Qaeda to carry out the 9-11 attacks.
  - "We have no credible evidence that Iraq and al-Qaeda cooperated on attacks against the United States." (9-11 Commission Staff Statement 15, June 16, 2004)
  - "We've had no evidence that Saddam Hussein was involved with...September 11th." (President Bush, September 17, 2003)
  - "I don't think there's any doubt but that there were some contacts between Saddam Hussein's government and al-Qaeda, Osama Bin Laden's people." (9-11 Commission Vice Chairman Lee Hamilton, *News Hour with Jim Lehrer*, June 16, 2004)
  - "We have solid reporting of senior level contacts between Iraq and al-Qa'ida going back a decade. Credible information indicates that Iraq and al-Qa'ida discussed safe haven and reciprocal non-aggression. Since Operation Enduring Freedom, we have solid evidence of the presence in Iraq of al-Qa'ida members, including some that have been in Baghdad. (CIA Director George Tenet, Letter to Senate Intelligence Committee Chairman Graham, October 7, 2002)
- **The Administration has said, however, that it was worried about a number of contacts between Iraq and al-Qaeda, including contacts between senior Iraqi intelligence officers and senior members of al-Qaeda.**
- **The Commission's investigation does not dispute that contacts between Iraq and al-Qaeda occurred.** Chairman Kean and Vice Chairman Hamilton have said that there "definitely" were a number of contacts. Chairman Kean called these contacts "shadowy" — and the Administration agrees with him. These were contacts between a deadly terrorist organization that was seeking support and a country that the Administration knew had supported other terrorist organizations.

- “[Y]es, there were contacts between Iraqi and al-Qaeda, a number of them, some of them a little shadowy. They were definitely there.” (9-11 Commission Chairman Thomas Kean, *News Hour with Jim Lehrer*, June 16, 2004)
- “Bin Ladin also explored possible cooperation with Iraq during his time in Sudan, despite his opposition to Hussein’s secular regime... A senior Iraqi intelligence officer reportedly made three visits to Sudan, finally meeting Bin Ladin in 1994.” (9-11 Commission Staff Statement 15, June 16, 2004)
- “Bin Ladin is said to have requested space to establish training camps, as well as assistance in procuring weapons, but Iraq apparently never responded. There have been reports that contacts between Iraq and al-Qaeda also occurred after Bin Ladin had returned to Afghanistan, but they do not appear to have resulted in a collaborative relationship.” (9-11 Commission Staff Statement 15, June 16, 2004)
- **The Administration also knew that Iraq was harboring a terrorist network headed by Zarqawi. Zarqawi, the senior al-Qaeda associate who was known to be in Baghdad for medical treatment in May 2002, continues to undertake indiscriminate acts of terrorism today.**
  - “[P]art of this Zarqawi network in Baghdad are two dozen Egyptian Islamic Jihad which is indistinguishable from al Qaeda — operatives who are aiding the Zarqawi network, and two senior planners who have been in Baghdad since last May. Now, whether there is a base or whether there is not a base, they are operating freely, supporting the Zarqawi network that is supporting the poisons network in Europe and around the world. So these people have been operating there. And, as you know.... a foreign service went to the Iraqis twice to talk to them about Zarqawi and were rebuffed. So there is a presence in Baghdad that is beyond Zarqawi.” (Director Tenet before the Senate Select Committee on Intelligence – February 11, 2003)

**The Administration knew Saddam had longstanding, direct, and continuing ties to a number of terrorist groups, including groups responsible for killing Americans.**

- “We know a great deal about [Saddam’s] terrorist activity. We know that he, as I said before, tried to assassinate President George H.W. Bush. We know that he pays Hamas terrorists \$25,000 for suicide bombings that led to suicide bombings against American citizens with five American deaths at Hebrew University. We know that he is acquiring weapons of mass destruction, that he has extreme animus against the United States.” (Dr. Condoleezza Rice, CNN, September 8, 2002)
- “Iraq’s increasing support to extremist Palestinians, coupled with growing indications of a relationship with al- Qaeda, suggest that Baghdad’s links to terrorists will increase, even absent US military action.” (CIA Director George Tenet, Letter to Senate Intelligence Committee Chairman Graham, October 7, 2002)
- The Abu Nidal Organization, headquartered in Baghdad until 1983, has been responsible for terrorist attacks in 20 countries that killed or injured 900 people, including 12 Americans. Abu Nidal and his organization returned to Baghdad in 1998, where they remained until Nidal’s death in August 2002.
- “Iraq’s Deputy Prime Minister, Tariq Aziz, has said Iraq will grant \$US25000 in cash to the families of each Palestinian killed in clashes with Israeli troops in the West Bank and Gaza. ‘President Saddam Hussein has recently told the head of the Palestinian political office, Farouq al-Kaddoumi, his decision to raise the sum granted to each family of the martyrs of the Palestinian uprising to \$25,000 instead of \$10,000,’ Mr. Aziz told Arab politicians and representatives of non-government organizations on Monday.” (“Hussein Vows Cash for Martrys,” Reuters, March 13, 2002)

*USA Today*  
*Friday, June 18, 2004*



## Commission confirms links

*By Stephen J. Hadley*

A 9/11 commission staff report is being cited to argue that the administration was wrong about there being suspicious ties and contacts between Iraq and al-Qaeda. In fact, just the opposite is true. The staff report documents such links.

The staff report concludes that:

- Al-Qaeda leader Osama bin Laden “explored possible cooperation with Iraq during his time in Sudan.”
- “A senior Iraqi intelligence officer reportedly made three visits to Sudan, finally meeting bin Laden in 1994.”
- “Contacts between Iraq and al-Qaeda also occurred after bin Laden had returned to Afghanistan.”

Chairman Thomas Kean has confirmed: “There were contacts between Iraq and al-Qaeda, a number of them, some of them a little shadowy. They were definitely there.”

Following news stories, Vice Chairman Lee Hamilton said he did not understand the media flap over this issue and that the commission does not disagree with the administration’s assertion that there were connections between al-Qaeda and Saddam Hussein’s government.

President Bush and members of his administration have said all along that there were contacts and that those contacts raised troubling questions.

For instance, Abu Musab al-Zarqawi is the leader of a terrorist group that is responsible for a number of deadly attacks throughout Iraq. He and his men trained and fought with al-Qaeda for years. Zarqawi’s network helped establish and operate an explosives and poisons facility in northeast Iraq. Zarqawi and nearly two-dozen al-Qaeda associates were in Baghdad before the fall of Saddam’s regime. In 2002, one al-Qaeda associate bragged that the situation in Iraq was “good” and that Baghdad could be transited quickly.

It may be that all of the contacts between Iraq and al-Qaeda never resulted in joint terrorist attacks. But considering all that we knew, no responsible leader could take for granted that such a collaboration would never happen.

Saddam had threatened American interests for more than a decade, harbored and assisted other terrorists, and possessed and used weapons of mass destruction. Al-Qaeda had declared war on America, and bin Laden had called the acquisition of weapons of mass destruction to attack Americans a “religious duty.”

The president did not order the liberation of Iraq in retaliation for 9/11. He sent American troops to Iraq to remove a grave and gathering threat to America’s security. Because he acted, Iraq is free, and America and the world are safer.

*Stephen J. Hadley is deputy national security adviser to President Bush.*

# Strong Job Growth Continues in States Across the Country

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## Recent News: State-by-State Jobs Data

- **Last week, the government released May jobs figures for states across the country – and the news is good. According to statistics released by the Bureau of Labor Statistics (BLS), job creation was up in 44 of the 50 states in the last year, and the unemployment rate was down in all regions and in 46 of the 50 states.**
- **Nationwide, the economy has posted steady job gains for each of the last nine months – creating more than 1.4 million new jobs since August.** The national unemployment rate stood at 5.6% in May – down 0.7 percentage point from a peak of 6.3% in June 2003 – and below the average of the 1970s, 1980s, and 1990s.
  - Nearly 1 million new jobs have been created in the last 100 days alone.
  - Across the country, 248,000 new jobs were created in May according to the payroll survey – and the increases in April and March were revised upward by 58,000 and 16,000, respectively, for a combined upward revision of 74,000 new jobs.
  - On average, over 237,000 jobs per month have been created since the beginning of this year.
  - The household survey also shows a big increase in jobs, up 1.5 million since August.
  - **National manufacturing employment has risen for four consecutive months, with over 90,000 new jobs created.** Manufacturing employment increased 32,000 in May and was revised upward by 22,000 jobs for March and April. The ISM Manufacturing survey reached a 30-year high in May, indicating further strength in manufacturing employment.
- **President Bush's economic policies are working. The economy is strong and growing stronger.** Thanks to the President's policies, the economy has shifted into high gear. Factories are busier, families are earning more, homeownership continues to rise, and people are finding work.
  - Economic growth over the last year has been the fastest in nearly 20 years.
  - After-tax incomes are up by 11% since December 2000—substantially faster growth than following the last recession, and household wealth is near an all-time high.
  - Inflation is low and interest rates and mortgage rates are near historic lows.
  - Homeownership rates are near record highs. Minority homeownership is at its highest rate ever.
  - The Dow Jones Industrial Average rose by 25% in 2003, and the NASDAQ rose by 50%.

## **President Bush's Actions Are Helping to Drive Our Economy Forward**

**President Bush has brought our economy back so it is growing again and creating new jobs. Now is not the time to change the policies that are strengthening our economic recovery. The American economy has faced serious challenges over the last three years:**

- *Recession:* The President took office as we were headed into a recession. The manufacturing sector started losing jobs in August 2000, and orders for capital goods were falling. The stock market peaked in August 2000 and was declining in early 2001 when the President's term began.
- *Terrorist Attacks:* We lost nearly one million jobs in just the three months following 9/11. In fact, nearly 70 percent of net job losses from the end of 2000 to the low-point in August 2003 occurred in 2001 during the recession and immediately after 9/11.
- *Corporate Scandals:* Investor confidence was hurt and energy, telecommunications, accounting, and other key sectors were affected, slowing the recovery.
- *Uncertainties of War:* The uncertainties created from fighting the war on terror in Afghanistan and Iraq slowed the recovery by weakening consumer and business confidence.

**The President has acted decisively to bring us back from recession to recovery. He has:**

- Cut taxes on families by lowering tax rates for all taxpayers, increasing the child credit, and reducing the marriage penalty.
- Phased out the death tax, helping to preserve family farms and businesses.
- Encouraged business growth by providing incentives for small businesses to invest.
- Made the stock market stronger by cutting taxes on dividends and capital gains.
- Passed the strongest corporate governance reforms since FDR was President.
- Proposed his Six-Point Plan to encourage economic growth and job creation by: making tax cuts permanent; reducing the cost of health care; reducing unnecessary regulations; curbing frivolous lawsuits; ensuring a reliable, affordable supply of energy; and opening foreign markets to U.S. products and services.
- Proposed his Jobs for the 21<sup>st</sup> Century initiative to improve education for high school students and train workers for industries creating the most new jobs.

**There is still more work to do, but the economy is growing and jobs are rising. Now is not the time to change what is working. We face a choice:**

- We can move forward with the economic policies that are causing unemployment to fall and incomes to rise; or
- We can change course and go back to the tired old policies of tax and spend, economic isolationism, and economic pessimism—a proven recipe for economic disaster.
- America is not going back to the failed policies of the past. We are going forward with pro-growth policies that are jumpstarting our economy and fueling the creation of new jobs.



## State Employment Statistics – May 2004

Provided by the Joint Economic Committee (JEC) – <http://jec.senate.gov>

	New Jobs in the Last Month	New Jobs in 2004	New Jobs in the Last Year	Unemployment Rate
Alabama	(3,000)	5,900	3,500	5.9%
Alaska	(400)	900	2,900	7.3%
Arizona	8,400	25,500	61,900	5.1%
Arkansas	2,800	3,500	6,900	5.8%
California	23,600	84,600	110,200	6.2%
Colorado	1,600	11,200	9,300	4.9%
Connecticut	4,100	6,500	1,500	4.6%
Delaware	2,400	3,000	5,500	3.7%
District of Columbia	(1,100)	4,900	4,400	7.5%
Florida	6,800	71,800	171,800	4.5%
Georgia	(7,800)	1,500	26,200	3.9%
Hawaii	(600)	2,800	11,500	3.0%
Idaho	2,400	10,700	13,400	4.6%
Illinois	300	(14,500)	(5,400)	6.4%
Indiana	1,600	13,800	17,400	5.1%
Iowa	(200)	4,700	11,900	4.3%
Kansas	4,100	4,700	5,700	4.7%
Kentucky	900	3,300	8,300	5.4%
Louisiana	(4,400)	8,400	3,600	6.1%
Maine	2,100	600	5,200	4.1%
Maryland	8,100	32,500	36,000	4.0%
Massachusetts	9,700	3,800	(22,100)	5.2%
Michigan	8,300	3,600	(30,100)	6.5%
Minnesota	7,200	16,800	21,900	4.3%
Mississippi	200	3,600	11,500	5.5%
Missouri	100	33,800	37,300	5.1%
Montana	1,200	4,200	6,100	4.7%
Nebraska	(2,600)	(700)	0	3.7%
Nevada	3,800	20,700	50,000	4.1%
New Hampshire	4,600	3,100	10,800	4.0%
New Jersey	9,500	36,100	65,500	4.9%
New Mexico	2,800	7,000	16,200	5.5%
New York	25,400	42,200	57,400	5.8%
North Carolina	13,400	47,600	45,400	5.3%
North Dakota	(800)	100	1,800	3.2%
Ohio	1,100	30,900	(19,100)	5.6%
Oklahoma	5,700	20,600	11,300	4.3%
Oregon	6,000	22,300	33,900	6.8%
Pennsylvania	10,700	35,500	5,400	5.1%
Rhode Island	1,500	1,800	4,300	5.6%
South Carolina	(900)	21,200	23,400	6.3%
South Dakota	1,000	3,300	5,600	3.4%
Tennessee	(2,400)	6,200	25,000	4.8%
Texas	12,900	64,500	73,600	5.9%
Utah	(500)	3,400	14,900	4.6%
Vermont	(300)	1,300	2,100	3.5%
Virginia	8,300	62,500	88,800	3.4%
Washington	2,800	32,100	46,400	6.1%
West Virginia	(2,700)	1,000	(5,000)	5.2%
Wisconsin	12,100	45,900	41,600	5.1%
Wyoming	(700)	(1,000)	3,800	3.7%

Source: U.S. Department of Labor - <http://www.bls.gov/news.release/laus.toc.htm>

# Supporting America's Small Business

**Small businesses create 7 out of 10 new jobs in America and account for more than half of the output of our economy.** Because small businesses are vital to our Nation's prosperity and reflect the hard work of the American people, the President has taken important steps to assist small businesses and the people they employ by reducing taxes, encouraging investment, and removing obstacles to growth.

## **Background: The President's Policies are Helping America's Small Businesses**

- **President Bush recognizes that supporting America's small businesses is critical to ensuring continued job creation.** There are nearly 8 million small businesses in the United States and they employ just over half of all workers. Small businesses owned by women are growing at more than twice the rate of businesses owned by men.
- **The President has made tax relief for America's small business a key component of his economic program.**
  - **In 2004, 25 million small businesses will receive tax relief totaling about \$75 billion.**
  - **The President's Jobs and Growth package reduced marginal income tax rates across the board, including the creation of a new 10-percent tax bracket and the reduction of the top rate to 35 percent.** These rate reductions benefit the more than 90 percent of small businesses that pay taxes at the individual income tax rates, not the corporate rates.
  - **The President's Jobs and Growth package also raised the amount that small businesses can expense for new capital investments from \$25,000 to \$100,000,** reducing their cost of purchasing new machinery, computers, trucks, and other qualified investments.
  - **The President supported and signed into law the phase-out of the Federal death tax,** ensuring that family business owners are able to leave their business to their families or key employees.
- **The President is committed to expanding markets for American products and services. America is the world's largest exporter, and America's small businesses are a large part of that success.**
  - U.S exports accounted for about 25 percent of our economic growth during the 1990s and support an estimated 12 million jobs.
  - Small and medium sized companies make up 97 percent of all exporters.
  - The President has supported this growth by signing into law Trade Promotion Authority to expedite the adoption of trade agreements that open markets for American goods and services. He is using this authority to open markets throughout the globe. The Bush Administration has signed or completed free trade agreement negotiations with 11 countries, including Australia, Morocco, Chile, Singapore, five countries of Central America, the Dominican Republic, and Bahrain.
  - Small exporters benefit from these agreements. More than 6,000 small and medium-sized businesses export to Chile, more than 4,000 export to Costa Rica, and approximately 3,000 export to Honduras.



- **In addition to reducing the tax burden and opening markets, the President is committed to reducing the costs of doing business in America. This agenda is especially important to America's small businesses.**
- **The President has worked to make health care more affordable.** The President has called for Association Health Plans (AHPs) to give America's working families greater access to affordable health insurance. By allowing small businesses to band together and negotiate on behalf of their employees and their families, AHPs would help small businesses and employees obtain health insurance at an affordable price, much like large employers and unions. The President has also signed into law health savings accounts (HSAs), which combine low-cost, high-deductible health insurance with tax-free savings accounts to pay for health care expenses. The President has also proposed to make insurance premiums for HSAs tax deductible.
- **The President is pushing Congress to pass legislation reducing frivolous lawsuits.** The President supports enactment of medical liability reform, class action lawsuit reforms, and asbestos litigation reforms to expedite resolutions and curb the costs lawsuits impose on American businesses.
- **The President has proposed and called on Congress to adopt a National Energy Policy (NEP)** to ensure that America has a reliable and affordable source of energy and to reduce our dependence on foreign sources. The Administration has completed implementation of nearly 75% of the more than 100 recommendations contained in the President's comprehensive NEP.
- **The President is urging regulatory relief** to ensure that Federal regulations do not unduly handicap America's entrepreneurs by streamlining regulations and reducing paperwork. Since the President took office, the Administration has slowed the growth of burdensome new rules by 75 percent, while still moving forward with crucial safeguards for homeland security, human health, and environmental protection.
- **The President has made tax relief permanence a top priority. All the tax relief enacted over the past three years, including the tax relief benefiting America's small businesses, is scheduled to expire over the next several years. Raising taxes on small businesses will hurt economic growth and job creation.**
  - In 2005, the expanded 10-percent bracket will sunset, increasing the tax burden millions of owners of flow-through businesses.
  - In 2006, allowable small business expensing will shrink from \$100,000 to just \$25,000, increasing the cost of capital investments for America's small businesses – thus subjecting them to a higher top tax rate than corporations could face.
  - In 2011, the rate relief and other tax relief enacted over the past three years will sunset, resulting in a tax increase for every small business that pays taxes as an S corporation, a partnership, or a sole proprietorship.
  - In 2011, the death tax returns, threatening the ability of family farms and businesses to survive from generation to generation and increasing the costs of estate planning for their owners.



## ***Big Savings Available on Generic Drugs Through Medicare-Approved Drug Discount Cards***

- A new study by the Centers for Medicare & Medicaid Services (CMS) has found that Medicare beneficiaries using the discount drug card can save between 46 and 92 percent on many commonly used prescription brand drugs through the use of generic drugs.
- The savings come from two sources: first, as part of the Medicare-approved Drug Discount Card program, Medicare now provides personalized information to beneficiaries on the availability of less expensive generics for their prescription drug needs; and second, Medicare drug cards provide substantial new price discounts on generic drugs.
- By calling 1-800 MEDICARE or going on the web at [www.medicare.gov](http://www.medicare.gov), beneficiaries can find out if generics are available for the brand drugs they take and how much they can save by using generics.

**“Generic drugs are just as safe and effective as brand-name drugs in the United States, and these drugs cost even less with the Medicare-approved drug cards,”** Health and Human Services Secretary Tommy G. Thompson said.

**“We are taking important steps toward our goal of prescription drug affordability by providing personalized assistance to help seniors find out when generic drugs, and this study shows that buying generic drugs through Medicare-approved drug discount cards can save a significant amount of money,”** said CMS Administrator Mark B. McClellan, M.D., Ph.D.

- This information can become an important source of drug savings, because more than half of prescriptions in the United States are for generic drugs today, yet use of generics by seniors has lagged behind other groups. According to one previous study on this topic, savings of up to \$14 billion per year in drug costs are possible using generics at the high rates that many Americans with private prescription drug insurance do.
- The analysis also compared prices for five generic drugs under the Medicare-approved drug discount cards to national average retail pharmacy prices for the same generic drugs.
- It showed discounts of about 39 to 65 percent below the average generic prices paid by all Americans, including those who receive price discounts through their public and private health insurance. Discounts of usual retail prices for generic drugs are even larger.
- By finding out about generic drugs and by getting the substantial price discounts, the analysis found that beneficiaries with Medicare-approved discount cards who switch to generic drugs can save 46 to 92 percent compared to what they would pay for brand-name drugs.

- Generic drugs are regulated by the Food and Drug Administration (FDA) to assure that they work the same way as the brand-name versions and meet the same standards of safety, effectiveness, and manufacturing.
- Generic versions of a brand-name drug are functionally identical to the brand name drug. When approved by the FDA, a generic drug contains the same active ingredient, and the same strength, dosage, and labeling as the brand name version for the approved indications.
- But generics generally cost about 70 percent less – and generic drug prices are generally substantially lower in the United States than in other developed nations, according to the report. And the substantial additional price discounts available on generic drugs through the Medicare-approved cards provide further savings.
- Over 55 percent of the 209 drug classes for which discounts are available through Medicare-approved drug cards include generic versions. The availability of generic drugs is expected to increase in the coming years, as the Medicare Modernization Act also included changes in the so-called “Hatch-Waxman” law to speed up the availability of generic drugs when patents on brand-name drugs expire. In just the next 12 months, patents are likely to expire on dozens of brand-name drugs, including widely used drugs such as Amaryl and Glynase for diabetes, and Prevacid for stomach ulcers.
- The large savings on generic drugs available through Medicare-approved drug cards complement the savings of 11 to 18 percent below the average prices actually paid by all Americans, for brand-name drugs – with larger savings available on mail-order drugs.
- In addition, beneficiaries with limited incomes can get \$600 in direct financial assistance in 2004 and again in 2005, as well as further discounts on many brand-name drugs. The easiest way to find out about your savings with through the new drug card program is to call 1-800-Medicare or to visit [www.medicare.gov](http://www.medicare.gov) anytime. Beneficiaries calling this toll-free number will be asked their zip code, their drugs and doses. If they may qualify for the \$600 in additional assistance, they will have to supply basic income information.
- If beneficiaries have additional special preferences – such as whether they want to use a local pharmacy, how far they are willing to travel to get a prescription filled, or if they prefer to order by mail, Medicare will provide them with information about what they would pay for their drugs, based on their personal circumstances and preferences. Beneficiaries who call can also get the information they need in a personalized brochure mailed to them the next day. Then, signing up for a card requires only filling out a two-page form or calling the card sponsor’s 800 number.
- Through savings on both brand name and generic drugs, the cards (which cost at most \$30 for the year, with some free) usually pay for themselves in the first month or two for beneficiaries without good drug coverage now.
- CMS has added many new operators at 1-800-MEDICARE and, as a result, reduced the wait times considerably. Now, at most times, waiting time is well under 10 minutes. The Medicare customer service representative can review the caller’s drug needs and find out about how to get the most out of the drug card program in under 15 minutes on average.



## *Reducing Health Disparities*

The U.S. Department of Health and Human Services' comprehensive effort to close the health gap among minorities continues to strengthen our nation's health care system.

### *Closing the Health Gap*

- Part of racial equality is health equality. Scientific evidence shows that minority communities suffer a greater burden of death and disease from many preventable conditions.
- **Addressing these disparities is a cornerstone of disease prevention.** We must **continue to work together to build longer, healthier lives for all Americans.**
- Secretary Thompson and HHS will **continue to develop and support innovative approaches to close the health gap in America.**

### *What the Medicare Modernization Act (MMA) Means for Minority Beneficiaries:*

- The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) provides minority beneficiaries with the best possible care, better benefits, greater protections, and more choices.

### *Immediate Assistance for Prescription Drug Coverage:*

- Under the Medicare Modernization Act, **7.8 million minority beneficiaries will be provided with access to a prescription drug benefit for the first time in history.** Minority beneficiaries are eligible for **immediate savings** of between 10-25% or more on prescription drugs by participating in the Prescription Drug Card.
- For the **over 1.5 million low-income minority beneficiaries**, who do not already have drug coverage, the **drug card will give them up to \$600 per year to help them afford their medicines**, in addition to discounts off retail drug prices. That's **nearly \$2 billion in additional help for minority beneficiaries.**

### *Preventative Benefits & Disease Management:*

- Beginning in 2005, each year nearly 360,000 newly enrolled **minority Medicare beneficiaries will be covered for an initial physical examination.**

- Disease Management is being introduced into the original Medicare program and is a service that already exists in most integrated health plans. These programs **will provide beneficiaries the tools and support systems to help them manage their chronic illnesses** and they are likely to substantially benefit minorities.

**Increased HIV/AIDS Funding:**

- President Bush's fiscal year 2005 budget request includes a **6 percent increase in the HIV/AIDS in Minority Communities Fund.**
- This request is for **\$53 million to support innovative approaches to HIV/AIDS prevention and treatment in minority communities.**

**Supporting Research:**

- Last fall, Secretary Thompson announced the **creation of eight Centers for Population Health and Health Disparities, designed to support research to understand and reduce differences in health outcomes, access and care.** These grants total \$60.5 million over five years.
- The eight centers will **form a network of research teams to explore the complexity of health disparities, following a community-based research approach.** Studies will focus on obesity, cardiovascular disease, breast cancer, prostate cancer, cervical cancer, mental health, gene-environment interactions, psychosocial stress, and other factors.
- Investigators will follow a **community-based research approach** with populations including low-income whites, African Americans, Hispanics, and the elderly.

**Encouraging Preventive Steps:**

- Thousands in minority communities have participated in "Take a Loved One to the Doctor Day" since it was launched in September 2002. This annual event is a **cornerstone of the Department's Closing the Health Gap educational campaign designed to improve health among racial and ethnic minority populations.**
- For the second year, HHS partnered on Doctor Day with radio personality Tom Joyner and ABC Radio Networks. **Radio Unica, a radio network with significant reach in Hispanic communities, was a new partner this year and provided support through on-air messages and 12 regional health fairs.**
- **More than 400 national, state and local organizations spanning 50 states partnered with HHS and hosted community events last year.**



**Other HHS Initiatives:**

- The National Center on Minority Health and Health Disparities: HHS' National Center on Minority Health and Health Disparities, an arm of the National Institutes of Health (NIH), is the lead federal agency charged with accelerating biomedical research on minority populations. The Center also leads NIH's strategic plan on eliminating health disparities.
- National Cancer Institute: NIH's National Cancer Institute (NCI) opened the **Center to Reduce Cancer Health Disparities in 2001 to address the unequal burden of cancer in our society.** The center's mission is **to advance understanding of the causes of health disparities, and develop and integrate effective interventions to reduce or eliminate those disparities.**
- The National Breast and Cervical Cancer Early Detection Program: HHS' National Breast and Cervical Cancer Early Detection Program has **provided more than 3.5 million screening tests for breast and cervical cancer to nearly 1.5 million low-income women.** This program helps to **ensure that underserved women have access to screening services than can detect cancer early and reduce illness and death.**
- SEER Program: NCI administers the Surveillance, Epidemiology and End Results (SEER) Program for cancer. The SEER Program **gathers cancer incidence and survival data from 12 geographic areas, covering approximately 14 percent of the population.** These population-based data are **a unique and important resource in monitoring stage-related survival of cancers.**